**Statement of Distribution of Net Income Problems**

1. Morris and Graves are partners who share income and loss equally. Morris receives a salary; he gets $10 000 per year. Graves also receives a salary; he gets $22,000. All partners earn 10% interest on their capital account balances. These balances are:

Morris $100 000

Graves $40 000

The net income for the year was $130 642.16. **SHOW ALL CALCULATIONS!**

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2. Watts, Cheng, and Lebowitz are partners who share income and loss in the ratio of 1:1:2 respectively. Watts receives a salary; he gets $18 000 per year. Cheng also receives a salary; she gets $9,000. All partners earn 8% interest on their capital account balances. These balances are:

Watts $80 000

Cheng $100 000

Lebowitz $10 000

The net income for the year was $42 152.16. **SHOW ALL CALCULATIONS!**

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